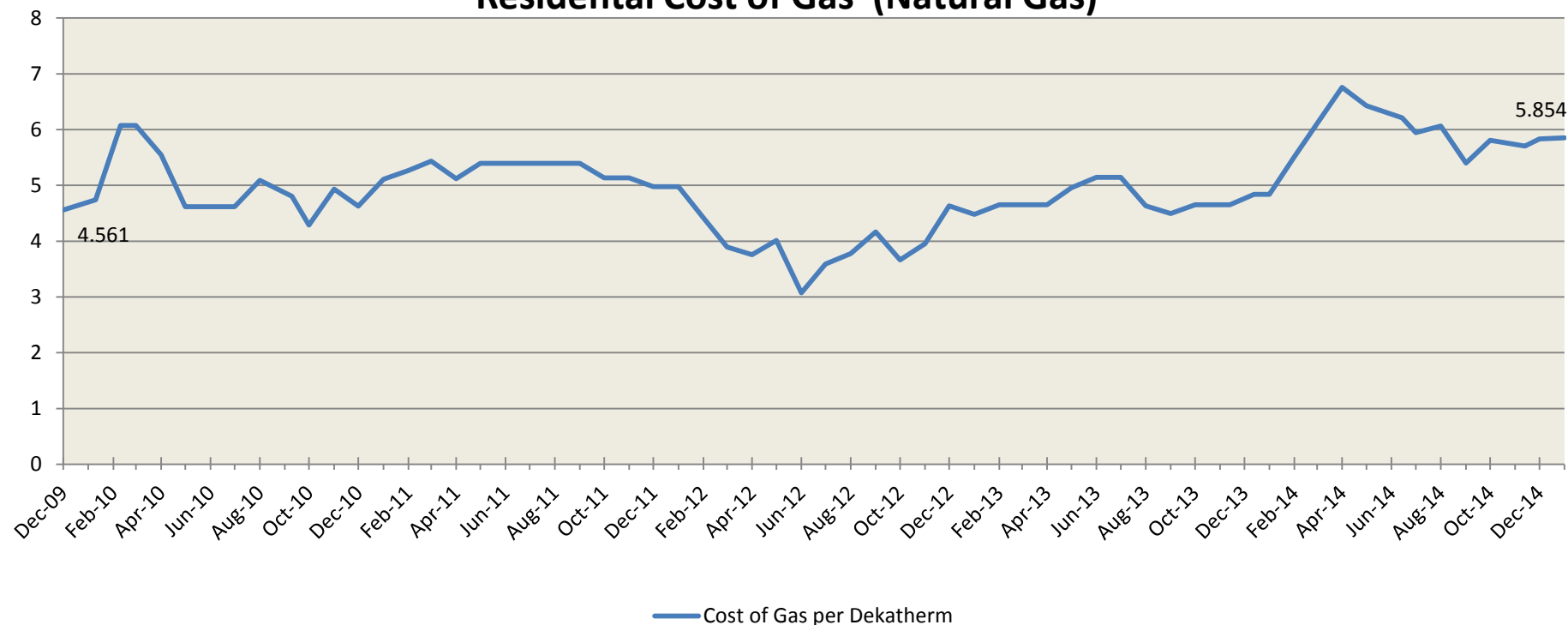


Montana Dakota Utilities Co. Residential Cost of Gas (Natural Gas)



About the Cost of Gas Adjustment

- The Cost of Gas is the cost the company pays for the gas they provide to customers.
- Utility companies are allowed to pass on the cost of gas to customers and they do not make a profit on the gas itself.
- The Cost of Gas is charged on customers' bills for each dekatherm of gas consumed.

Montana-Dakota Utilities Co.

Cost of Gas per dekatherm

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------|----------|---------|----------|---------|---------|---------|---------|---------|---------|---------|
| January | \$9.294 | \$6.618 | \$6.33 | \$7.344 | \$4.741 | \$5.111 | \$4.976 | \$4.480 | \$4.842 | \$5.854 |
| February | \$10.252 | \$5.864 | \$7.377 | \$7.344 | \$6.075 | \$5.268 | \$4.417 | \$4.651 | \$5.515 | |
| March | \$8.641 | \$7.143 | \$8.027 | \$6.125 | \$6.075 | \$5.434 | \$3.898 | \$4.651 | \$6.109 | |
| April | \$7.607 | \$7.143 | \$8.857 | \$5.609 | \$5.550 | \$5.120 | \$3.760 | \$4.651 | \$6.760 | |
| May | \$7.278 | \$5.501 | \$9.281 | \$5.202 | \$4.617 | \$5.395 | \$4.012 | \$4.958 | \$6.426 | |
| June | \$7.278 | \$6.302 | \$10.514 | \$4.989 | \$4.617 | \$5.395 | \$3.075 | \$5.144 | \$6.214 | |
| July | \$6.413 | \$5.209 | \$10.514 | \$5.220 | \$4.617 | \$5.395 | \$3.593 | \$5.144 | \$5.947 | |
| August | \$6.625 | \$5.209 | \$11.263 | \$5.361 | \$5.091 | \$5.395 | \$3.777 | \$4.632 | \$6.064 | |
| September | \$7.429 | \$5.209 | \$9.042 | \$5.489 | \$4.807 | \$5.395 | \$4.167 | \$4.497 | \$5.400 | |
| October | \$6.132 | \$3.693 | \$5.512 | \$3.614 | \$4.290 | \$5.135 | \$3.665 | \$4.653 | \$5.811 | |
| November | \$4.131 | \$2.934 | \$6.655 | \$4.561 | \$4.933 | \$5.135 | \$3.955 | \$4.653 | \$5.703 | |
| December | \$6.618 | \$4.612 | \$6.365 | \$4.561 | \$4.629 | \$4.976 | \$4.633 | \$4.842 | \$5.831 | |

MDU Residential Bill Comparison

(Compares differences in bill amounts due to change in Cost of Gas Adjustments)

| Month | Usage | Difference from previous month | Difference from one year ago |
|----------------|-------|--------------------------------|------------------------------|
| January, 2015 | 17dk | \$0.39 | \$17.20 |
| December, 2014 | 15dk | \$1.92 | \$14.84 |
| November 2014 | 11dk | \$-1.19 | \$11.55 |
| October 2014 | 7dk | \$2.88 | \$8.11 |
| September 2014 | 4dk | \$-2.66 | \$3.61 |
| August 2014 | 2dk | \$0.23 | \$2.86 |
| July 2014 | 2dk | \$-0.53 | \$1.61 |
| June 2014 | 3dk | \$-0.64 | \$3.21 |
| May 2014 | 5dk | \$-1.67 | \$7.34 |
| April 2014 | 8dk | \$5.21 | \$16.87 |
| March 2014 | 13dk | \$7.72 | \$18.95 |
| February 2014 | 13dk | \$8.75 | \$11.23 |
| January 2014 | 17dk | \$0.00 | \$6.15 |
| December, 2013 | 15dk | \$2.84 | \$3.13 |
| November 2013 | 11dk | \$0.00 | \$7.68 |